

**REMARKS/ARGUMENTS**

**Status of the Claims**

Before this Amendment, claims 1-24 were present for examination. No claims are amended, canceled, or added. Therefore, claims 1-24 remain present for examination, and claims 1, 16, and 21 are the independent claims.

The Final Office Action dated January 10, 2008 ("Final Office Action") rejected claims 1-24 under 35 U.S.C. §103(a) as being unpatentable over the cited portions of McDonald, U.S. Patent No. 6,648,222 ("McDonald"), in view of the cited portions of Slater, U.S. Patent No. 6,615,190 ("Slater"). Applicants respectfully request reconsideration for the reasons that follow.

**35 U.S.C. §103(a) Rejections, McDonald et al.**

The Office Action rejected independent claims 1, 16, and 21 under 35 U.S.C. §103(a) as being unpatentable over McDonald, in view of Slater. Factual findings made by the Office are the "necessary underpinnings to establish obviousness." MPEP § 2141(II). The Office must set forth "the relevant teachings of the prior art relied upon." MPEP § 706.02(j). Additionally, in *KSR* the Supreme Court noted that the analysis supporting a rejection under 25 U.S.C. §103 must be made explicit. *See* MPEP § 2142. As will be discussed below, Applicants respectfully submit that the Office has not established a *prima facie* case of obviousness.

Specifically, neither McDonald or Slater can be relied upon to teach or suggest transferring "benefits monetary value stored at the benefits storage device to the at least one smart card, ... [and] writing the benefits monetary value ... to the at least one smart card," as set forth in claim 1. Claims 16 and 21 contain similar limitations. Moreover, Slater and McDonald are in conflict, and therefore there is insufficient suggestion to combine the references. *See* MPEP § 2143.01 (II).

1. Value on the Smart Card: Independent claim 1 recites "an express vending machine ... accepting a transfer of at least a portion of the benefits monetary value stored at the benefits storage device to the at least one smart card." The express vending machine of claim 1

includes "a read/write mechanism for ... writing the benefits monetary value ... to the at least one smart card." Thus, the central computer of claim 1 includes a benefits storage device for storing a benefits monetary value, and at least a portion of that value is transferred to and written on the smart card.

The Final Office Action argues that McDonald includes this limitation (Final Office Action p. 3, l. 17 - p. 4, l. 2; p. 7, ll. 17-19; p. 10, ll. 3-4 *citing* McDonald col. 14, ll. 11-51; col. 16, ll. 6-22). However, in McDonald, the monetary value is not written to or otherwise downloaded to the card. To the contrary, the "value data associated with the card is not carried on the card, but is instead accessed ... from a remote database." (McDonald, col. 13, ll. 55-57). The system control center, through associated databases, accesses balance information and responds to requests to use the card (*Id.*, col. 4, ll. 13-25; col. 9, ll. 10-22; FIGS. 1 and 9). Thus, in McDonald, it appears clear that the value associated with a card is stored off the card, instead of being transferred to a card or written thereon.

Slater does not cure the deficiencies of McDonald. Instead, Slater describes a balance database module off the card "for storing information about the account balance." (Slater, col. 4, ll. 59-60). The system 100 of Slater includes a cardholder I/O module "enabling a cardholder access to a stored value account." (*Id.*, col. 6, ll. 1-15). Again, as with McDonald, it appears clear that the value associated with a card is stored off the card, instead of being transferred to a card or written thereon.

Claim 16 and 21 contain similar limitations. Claim 16 recites that the central computer downloads "at least a portion of the increased monetary benefit value to the smart card." Claim 21 sets forth a transfer of "at least part of the monetary benefit value for the patron from the benefits data base to a smart card." Therefore, the specified limitations in claims 1, 16, and 21 are absent from the cited references.

Applicants respectfully submit that the specified limitations in independent claims 1, 16, and 21 are allowable for at least the foregoing reasons. Claims 2-15 and 17-20, and 22-24 each depend from these independent claims, and are believed allowable for at least the same

reasons as given above. Applicants, therefore, respectfully request that the §103(a) rejections to these claims be withdrawn.

2. Combination of McDonald and Slater: In addition, Applicants assert that the references should not be combined for purposes of an obviousness analysis, as their teachings are in direct conflict. A persistent theme of the Slater reference is that a "cardholder can withdraw funds from the account, but cannot deposit additional funds in the account." (Abstract; *see also* Summary: "cardholder is prohibited from adding funds to the account," col. 1, ll. 46-57; Claim 1 "cardholder is unable to fund the account").

However, McDonald is very different, teaching a system wherein the cardholder who funds the system, and the Description is focused on teaching the ways in which the cardholder funds the account associated with a card (McDonald, col. 8 ll. 24-60; col.14, ll. 11-51). The customer-funded approach set forth in McDonald is in conflict with the sponsor-funded approach of Slater, where customer funding is specifically prohibited.

Because of this conflict, there is insufficient suggestion to combine the references. *See* MPEP § 2143.01. The combination of McDonald and Slater is relied upon to reject claims 1-24. Applicants, therefore, respectfully request that the §103(a) rejections to these claims be withdrawn.

### CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

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Response dated March 7, 2008  
Reply to Office Action of January 10, 2008 ("Final Office  
Action")

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If the Examiner believes a telephone conference would expedite prosecution of  
this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'MLD', is written over the printed name.

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